

# Supporting Statement for Paperwork Reduction Act Submissions

## A. Justification

1. Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection. Attach a copy of the appropriate section of each statute and regulation mandating or authorizing the collection of information.

The Native American Housing Assistance and Self-Determination Reauthorization Act (NAHASDA) authorizes funding for the Indian Housing Block Grant (IHBG) program that supports the development, management, and operation of affordable homeownership and rental housing; infrastructure development; and other forms of housing assistance intended for low-income persons. Federally-recognized Native American and Alaska Native tribes, tribally-designated housing entities, and the Department of Hawaiian Home Lands are eligible to receive IHBG funds. NAHASDA is a formula-driven program whereby eligible recipients receive an equitable share of funds as appropriated by Congress.

Within 75 days of the beginning of its program year, a recipient of IHBG funds is required to submit HUD-52737, *Indian Housing Plan/Annual Performance Report* (IHP/APR), which consists of two components. The Indian Housing Plan (IHP) component describes the eligible IHBG-funded, affordable housing activities the recipient plans to conduct for the benefit of low and moderate income tribal members and identifies the intended outcomes and outputs for the upcoming 12-month program year. At the end of the 12-month period, the recipient submits the Annual Performance Report (APR) component to describe (1) the use of grant funds during the prior 12-month period; (2) the actual outcomes and outputs achieved; (3) program accomplishments; and (4) jobs supported by IHBG-funded activities. (NAHASDA §§ 102 and 404).

The IHP/APR is currently available in an Excel version and a version on HUD's Energy and Performance Information Center (EPIC) website. The two versions of the IHP/APR request the same information and a recipient may elect to submit to HUD either the Excel or EPIC versions.

IHBG recipients are responsible for notifying HUD of changes to the Formula Current Assisted Stock (FCAS) component of the IHBG formula. HUD is notified of changes in the FCAS through the *Formula Response Form* (HUD-4117). IHBG recipients or HUD may challenge the data from the U.S. Decennial Census or provide an alternative source of data by submitting the *Guidelines for Challenging U.S. Decennial Census Data Document*. Census challenges (HUD-4119) are due to HUD by March 30<sup>th</sup> of each fiscal year, as stipulated at 24 CFR § 1000.336.

IHBG recipients have the option of investing IHBG funds in eligible instruments with bankers and brokers by using the Depository Agreement for bankers (HUD-52736-A) and the Depository Agreement for brokers (HUD-52736-B). These agreements may be executed at any time.

2. Indicate how, by whom and for what purpose the information is to be used. Except for a new collection, indicate the actual use the agency has made of the information received from the current collection.

IHBG recipients are required to submit periodic information to demonstrate compliance with eligibility and other requirements of NAHASDA and for HUD's annual report to Congress. The quality assurance of data reported is a very important issue in maintaining HUD's databases used to monitor a recipient's performance, determine program compliance, and to ensure fair and equitable IHBG allocations. HUD uses IHP data to verify that planned activities are eligible, expenditures are reasonable, and recipient certifies compliance with related requirements. HUD uses APR data to audit the program's accuracy and monitor recipient progress in completing approved activities, including reported expenditures, outputs, and outcomes. HUD conducts a statistical analysis of APR data to compare a recipient's prior performance and conduct regional and national data analysis for internal use and Congressional reporting. APR data has been effective in documenting ineligible uses of IHBG funds that HUD determined were disallowed costs and recaptured. HUD uses the Formula Correction and

Formula Challenge forms to ensure that IHBG funds are allocated accurately. Updated FCAS information addressing the conveyances and conversion of units has resulted in the recapture of funds.

In conducting statistical analysis of each recipient's data, HUD compares a recipient's APR data with what the recipient planned to accomplish as described in its Indian Housing Plan. The purpose of this analysis is to verify whether the recipient is making timely progress in completing the activities described in the Indian Housing Plan. Specifically, HUD analyzes outputs including the number of housing units completed, number of households served, and number of acres acquired for low income housing development. HUD also analyzes expenditure data for reasonableness compared to the accomplishments, and compares the planned uses of Indian Housing Block Grant and Native Hawaiian Housing Block Grant funds with actual uses of these funds.

HUD calculates summary performance data on the regional and national levels. Data includes total number of houses rehabilitated, constructed, and acquired; total number of households served; and total number of acres acquired for low income housing development. HUD also calculates the amount of Indian Housing Block Grant and Native Hawaiian Housing Block Grant funds expended and unexpended, as well as the volume of loan guarantees and leveraged funds.

The results of the statistical analysis are used for annual Congressional reporting and for internal planning and evaluation purposes.

3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submission of responses, and the basis for the decision for adopting this means of collection. Also describe any consideration of using information technology to reduce burden.

Approximately 90% of IHBG recipients submit information electronically. ONAP expects 90% of the Excel version of the form to be submitted electronically. All IHP/APRs submitted on the EPIC website will be electronic.

The Excel and EPIC versions of the IHP/APR contain numerous automated enhancements such as drop-down menus, check boxes, auto-filling data fields, columns and rows that total automatically, and data quality checks. These automated enhancements make the Excel and EPIC versions easy and fast to complete.

The Formula Response and Census Challenge forms and the Depository Agreements are most frequently submitted by facsimile or as an electronic mail attachment.

4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in Item 2 above.

There is no duplication of information. IHBG recipients must submit the IHP portion of the IHP/APR annually describing the recipient's planned activities, outputs, and outcomes using IHBG funds, the APR portion of the IHP/APR annually describing how the grants were used and the activities, outputs, and outcomes achieved. There are no other sources of information that are being submitted to HUD that duplicate the information in the IHP/APR. IHBG recipients do not have to challenge formula data and, if a recipient opts not to challenge the formula data, HUD will rely on the currently available data for determining a recipient's allocation.

5. If the collection of information impacts small businesses or other small entities (Item 5 of OMB Form 83-I) describe any methods used to minimize burden.

Most IHBG recipients are small in population numbers. HUD has minimized the burden on all recipients by allowing the recipient to determine the complexity of the program being offered within their area of responsibility. The program offered by the recipient determines the complexity of the IHP/APR. HUD has provided extensive training for recipients on how to design a program and complete the IHP/APR. Additionally,

ONAP staff is available to provide one-on-one assistance if needed. If a recipient opts to challenge the formula data, HUD will make every effort to provide guidance and technical assistance to the recipient on how to challenge and/or correct the formula data as easily as possible while still maintaining the integrity of the data.

6. Describe the consequence to Federal program or policy activities if the collection is not conducted or is conducted less frequently, as well as any technical or legal obstacles to reducing burden.

The IHP/APR is required by NAHASDA to be submitted annually. If the IHP or APR is not submitted as required, then the recipient may be denied grant funds for that year, prohibited from expending prior grant funds, and denied future grants. Given the quality of the data being used, if a recipient cannot or does not make corrections or challenge the formula data, it will decrease the fairness of the formula allocation system. In addition, HUD, the recipient, and the grant beneficiary are involved with program monitoring and auditing activities. HUD has the responsibility to challenge the validity of data used to allocate IHBG funds.

7. Explain any special circumstances that would cause an information collection to be conducted in a manner:
  - requiring respondents to report information to the agency more than quarterly;
  - requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;
  - requiring respondents to submit more than an original and two copies of any document;
  - requiring respondents to retain records other than health, medical, government contract, grant-in-aid, or tax records for more than three years;
  - in connection with a statistical survey, that is not designed to produce valid and reliable results than can be generalized to the universe of study;
  - requiring the use of a statistical data classification that has not been reviewed and approved by OMB;
  - that includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use; or
  - requiring respondents to submit proprietary trade secret, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.

There are no special circumstances associated with this information collection. IHBG recipients may submit the *Formula Response* or *Census Challenge* form to challenge or make corrections at any time. Recipients receive a copy of the data at least 30 days before the recipient needs to make corrections or submit a challenge that would be acceptable for that fiscal year's formula allocation. IHBG recipients are not required to submit more than the original information collection document. Financial and programmatic records, supporting documents, and statistical records of the recipient must be retained for a period of 3 years according to 24 CFR § 1000.550. IHBG recipients may submit data to challenge the U.S. Decennial Census data, but by regulation, that information must be collected in a uniform manner that be confirmed and verified (24 CFR § 1000.330). Data must be gathered, evaluated, and presented in a manner acceptable to HUD and the standards for data acceptability must be applied consistently (24 CFR § 1000.334). IHBG recipients are not requested to submit proprietary trade secrets or other confidential information.

8. HUD published a Notice of Proposed Information Collection for Public Comments in the *Federal Register*, Volume 81; No. 3; Page 509 on January 6, 2016. The public was given until March 7, 2016 to submit comments on the proposed information collection. HUD received no comments on this proposed collection.

9. Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees.

There are no provisions to provide any payments or gifts to respondents, other than remuneration of contractors or recipients.

10. Describe any assurance of confidentiality provided to respondents and the basis for assurance in statute, regulation or agency policy.

The information collection is public information; therefore, there is no assurance of confidentiality.

11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private. This justification should include the reasons why the agency considers the questions necessary, the specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.

There are no questions of a sensitive nature included in the information to be collected.

12. Provide estimates of the hour burden of the collection of information. The statement should:
- indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated. Unless directed to do so, agencies should not conduct special surveys to obtain information on which to base hour burden estimates. Consultation with a sample (fewer than 10) of potential respondents is desirable. If the hour burden on respondents is expected to vary widely because of differences in activity, size, or complexity, show the range of estimated hour burden, and explain the reasons for the variance. Generally estimates should not include burden hours for customary and usual business practices;
  - if this request covers more than one form, provide separate hour burden estimates for each form and aggregate the hour burdens in Item 13 of OMB Form 83-I; and
  - provide estimates of annualized cost to respondents for the hour burdens for collections of information, identifying and using appropriate wage rate categories. The cost of contracting out or paying outside parties for information collection activities should not be included here. Instead this cost should be included in Item 13.

There are 366 recipients of IHBG funds. Each of the 366 IHBG recipients is required annually to submit an IHP and an APR for a total of 732 responses. Allowing for variations in the recipient’s program to provide and maintain low-income housing, recipient preparation of an IHP/APR takes an average of 62 hours. This median average in burden hours assumes that the completion of the Excel version at 67 hours and the EPIC version at 52 hours. HUD typically receives an average of 300 Formula Correction forms and assumes it takes a recipient an average burden of half an hour to complete the form. HUD typically receives 15 Formula Correction forms and assumes it takes a recipient an average burden of 150 hours to complete the form. All IHBG recipients may enter into Depository Agreements with bankers and/or brokers and HUD assumes it takes an average of 15 minutes to complete an Agreement for a total annual burden of 91.5 hours to complete each form.

The table below provides estimates on the number of respondents, frequency of submissions, total responses, and the estimated annual burden. The estimates are based on field office experience. The decline in annual burden hours from OMB’s current inventory is due to correcting a mathematical error.

**Estimated Number of Respondents, Responses, and Annual Burden Hours**

<i>Type of Submission</i>	<i>Number of</i>	<i>Frequency of</i>	<i>Total</i>	<i>Estimate Average</i>	<i>Estimate</i>
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	<i>Respondents</i>	<i>Submissions</i>	<i>Responses</i>	<i>Time (Hrs)</i>	<i>Annual Burden (Hrs)</i>
IHP/APR (HUD-52737)	366	2	732	62	45,384
Formula Correction (HUD-4117)	300	1	300	.5	150
Formula Challenge (HUD-4119)	15	1	15	150	2,250
Depository Agreement (Banker) (HUD-52736-A)	366	1	366	.25	91.5
Depository Agreement (Broker) (HUD-52736-B)	366	1	366	.25	91.5
Total	366		1,779		47,967

The table below shows the estimated cost burden to respondents and is based on an average annual salary of \$37,000.

### Estimated Annualized Cost to Respondents

<i>Type of Submission</i>	<i>Number of Hours</i>	<i>Cost per Hour</i>	<i>Total Cost</i>
IHP/APR (HUD-52737)	45,384	\$18	\$816,912
Formula Correction (HUD-4117)	150	\$18	\$2,700
Formula Challenge (HUD-4119)	2,250	\$18	\$40,500
Depository Agreement (Banker) (HUD-52736-A)	91.5	\$18	\$1,647
Depository Agreement (Broker) (HUD-52736-B)	91.5	\$18	\$1,647
Total	47,967	\$18	\$863,406

13. Provide an estimate of the total annual cost burden to respondents or record keepers resulting from the collection of information (do not include the cost of any hour burden shown in Items 12 and 14).
- The cost estimate should be split into two components: (a) a total capital and start-up cost component (annualized over its expected useful life); and (b) a total operation and maintenance purchase of services component. The estimates should take into account costs associated with generating, maintaining, and disclosing or providing the information. Include descriptions of methods used to estimate major cost factors including system and technology acquisition, expected useful life of capital equipment, the discount rate(s) and the time period over which costs will be incurred. Capital and start-up costs include, among other items, preparations for collecting information such as purchasing computers and software; monitoring, sampling, drilling and testing equipment; and record storage facilities;
  - If cost estimates are expected to vary widely, agencies should present ranges of cost burdens and explain the reasons for the variance. The cost of purchasing or contracting out information collection services should be a part of this cost burden estimate. In developing cost burden estimates, agencies may consult with a sample of respondents (fewer than 10) utilize the 60-day pre-OMB submission public comment process and use existing economic or regulatory impact analysis associated with the rulemaking containing the information collection, as appropriate.
  - generally, estimates should not include purchases of equipment or services, or portions thereof made: (1) prior to October 1, 1995, (2) to achieve regulatory compliance with requirements not associated with the information collection, (3) for reasons other than to provide information or keep records for the government, or (4) as part of customary and usual business or private practices.

There are no additional costs other than what is reported above.

14. Provide estimates of annualized cost to the Federal government. Also, provide a description of the method used to estimate cost, which should include quantification of hours, operational expenses (such as equipment, overhead, printing, and support staff), and any other expense that would not have been incurred without this collection of information. Agencies also may aggregate cost estimates from Items 12, 13, and 14 in a single table.

There are no additional costs to the Federal Government for this information collection. ONAP staff and contractors have been reviewing the forms in this information collection since the inception of the IHBG program. The table below summarizes the annualized cost for reviewing the forms in this information collection.

<i>Type of Submission</i>	<i>Number of Respondents</i>	<i>Frequency of Submissions</i>	<i>Estimated Hours</i>	<i>Total Annual Burden Hours</i>	<i>Hourly Base Rate</i>	<i>Total Annual Cost</i>
IHP/APR (HUD-52737)	366	2	20	14,640	\$37.54	\$549,585
Formula Correction (HUD-4117)	300	1	15	4,500	\$37.50	\$168,750
Formula Challenge (HUD-4119)	15	1	15	225	\$50.00	\$11,250
<b>Total</b>	<b>366</b>			<b>19,365</b>		<b>\$729,585</b>

15. Explain the reasons for any program changes or adjustments reported in Items 13 and 14 of the OMB Form 83-I.  
The decline in annual burden hours from OMB's current inventory is due to correcting a mathematical error.

No changes or adjustments in Items 13 or 14.

16. For collection of information whose results will be published, outline plans for tabulation and publication. Address any complex analytical techniques that will be used. Provide the time schedule for the entire project, including beginning and ending dates of the collection of information, completion of report, publication dates, and other actions.

Section 407 of NAHASDA requires the Secretary to prepare an annual report to Congress; the information collected in the APR will be used to prepare that report. The Secretary is required to include a description of the progress made in accomplishing the objectives of NAHASDA and to summarize the use of funds during the preceding 12-month period.

17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.

The OMB number and expiration date of the information collection will be displayed on the forms.

18. Explain each exception to the certification statement identified in item 19.

There are no exceptions to the certification identified in Item 19 of the OMB 83-i.

**B. Collections of Information Employing Statistical Methods**

The information will not be published for statistical purposes.